

**PIONEER INDUSTRIAL RAILWAY CO.**

**1318 S. JOHANSON ROAD**

**PEORIA, ILLINOIS 61607**

**(309) 697-1400**

September 2, 2005

Vernon A. Williams, Secretary  
Surface Transportation Board  
1925 K Street, N.W.  
Washington, D.C. 20423

RE: Central Illinois Railroad Company (FD No. 34518; AB 878).

Dear Secretary Williams:

Enclosed is a recent article concerning an accident involving the Central Illinois Railroad Company ("CIRY") in Peoria, Illinois. This article is relevant to the issues the Board is considering in AB-878.

As you may recall, one of the issues raised by Pioneer Industrial Railway ("PIRY") in F.D. No. 34518 and 34636, was whether or not CIRY could and would operate safely, especially if joint operation of the Kellar Branch with PIRY were undertaken. By decision served February 23, 2005, the Board held that a joint operating agreement should be concluded before any joint operations are undertaken.

No joint operating agreement was concluded and joint operations never occurred. After the Board granted the City of Peoria's Adverse Discontinuance Petition (AB-878), the Attorney for the City demanded that PIRY vacate the line (without any Court determination, as contemplated in the Board's decision) and informed PIRY that CIRY intended to commence operations, without the requisite joint operating agreement (See attached letter).

Although PIRY did not believe the City could require PIRY to vacate the Line, absent a Court determination that PIRY's operating agreement had indeed expired, PIRY concluded that attempting to maintain physical possession of the Line would imperil public safety, and that of its crews. PIRY, therefore, voluntarily vacated the Line, filed an action in State Court, as contemplated

by the Board, and embargoed the Line to PIRY traffic (see attached letter).

Now, CIRY's performance, it would certainly appear, fully confirms that PIRY's concerns about the safety and competence of CIRY were well-founded, and that joint operation of this line, with CIRY, is not feasible.

PIRY again respectfully requests that the Board expeditiously rule on its pending petition in AB-878.

Sincerely yours,

/s/ Guy L. Brenkman

Guy L. Brenkman, CEO.

cc: Board  
Thomas F. McFarland, Esq.  
City of Peoria  
William Mullins, Esq.

# CENTRAL ILLINOIS RAILROAD ATTEMPTS TO OPERATE THE KELLAR BRANCH

PEORIA, IL—The Central Illinois Railroad Company ("CIRY") took over the operation of the former CRI&P Kellar Branch between Peoria, Peoria Heights and the Pioneer Industrial Park in central Illinois after the Surface Transportation Board granted the City of Peoria's adverse abandonment petition (AB-878, Served August 10, 2005). CIRY, headquartered in Granville, Illinois, placed a car mover on the Line and attempted to use it as a locomotive. They learned the hard way that it will take more than a car mover to get a loaded center-beam flat car and

a loaded boxcar to the northern end of the Line.

Observers report that the result, when the car mover tried to pull the two cars up the steep graded hill to Peoria Heights on Saturday, August 27, was a runaway and a derailment. The trackmobile reportedly lost traction and ended up sending two cars back down the hill at approximately 30 mph. The cars ran through several public crossings (these include major crossings at Abington, Madison, Jefferson and Adams Streets), before crashing into



**ABOVE:** Trying to move a centerbeam and a boxcar uphill proved to be too much for CIRY's 4500 Trackmobile unit.

another railcar and derailing, near where the Kellar Branch connects with the Tazewell & Peoria Railroad.

The crews reportedly jumped from the trackmobile before the crash, so luckily, there were no reported injuries.



**ABOVE LEFT:** The last car is derailed and other cars are on the twisted rail. **MIDDLE:** You can see the twisted rail, and the lading cable has snapped off. **RIGHT:** Close up shot of the twisted rail.

**BOTTOM LEFT:** The cars are tilted from the derailment, and you can see the loads have shifted. **MIDDLE:** View from the Kellar Branch to the Tazewell & Peoria Railroad. **RIGHT:** A close up of the twisted rail, and a derailed car.

All Photographs taken by David Thurman

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THOMAS F. MCFARLAND

August 15, 2005

By certified mail,  
(return receipt requested)

Daniel A. LaKemper  
Pioneer Railcorp  
1318 S. Johanson Rd.  
Peoria, IL 61607

Re: Operation of the Kellar Branch at Peoria-Peoria Heights, IL

Dear Dan:

This confirms verbal advice today that Central Illinois Railroad Company (CIRY) will commence operation of the Kellar Branch at Peoria-Peoria Heights, IL, effective at 12:01 a.m., Monday, August 22, 2005. That operation will be in furtherance of an agreement between CIRY and the City of Peoria, Illinois and the Village of Peoria Heights, Illinois. That operation is in accordance with Surface Transportation Board (STB) decisions in its Finance Docket No. 34518, *Central Illinois R. Co. -- Oper. Exempt. -- Rail Line of the City of Peoria, et al. in Peoria and Peoria Heights, Peoria County, IL*, served July 28, 2004 and Feb. 23, 2005 (not printed), and its Docket No. AB-878, *City of Peoria and the Village of Peoria Heights, IL -- Adverse Discon. -- Pioneer Industrial Ry. Co.*, served Aug. 10, 2005 (not printed).

This is to advise correspondingly that Pioneer Industrial Railway Co. (PIRY) should cease rail operations and vacate the Kellar Branch at Peoria-Peoria Heights, IL, no later than 11:59 p.m., Sunday, August 21, 2005.

Very truly yours,

*Tom McFarland*

Thomas F. McFarland  
*Attorney for the City of Peoria, Illinois  
and the Village of Peoria Heights, Illinois*

*TMcF:kl:wp8.0\1021;1025\trdal3*

cc: Randy Ray, Esq., *by fax to 309-494-8559*  
Melinda Sammons, *by fax to 815-339-6400*

**PIONEER INDUSTRIAL RAILWAY CO.**  
**1318 S. JOHANSON ROAD**  
**PEORIA, ILLINOIS 61607**  
**(309) 697-1400**

August 22, 2005

Thomas F. McFarland, Esq.  
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Suite 1890  
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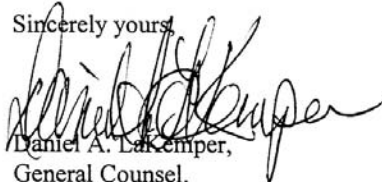
RE: Kellar Branch (STB Docket No. AB-878)

Dear Tom:

This is in response to your letter dated August 15, 2005, regarding the Kellar Branch.

In view of the fact that you have advised us that Central Illinois Railroad Company intends to commence operations today without a joint operating agreement, as well as the pending construction work in Pioneer Park, Pioneer Industrial Railway Co. ("PIRY") has removed its equipment from the Kellar Branch, and temporarily ceased service pursuant to an embargo. PIRY does so under protest, and reserves the right to lift the embargo and resume service if the Court, pursuant to the Surface Transportation Board's decision, finds in favor of PIRY on the pending contract action.

Sincerely yours,



Daniel A. Lakemper,  
General Counsel.